

EXHIBIT “9”

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1 LOS ANGELES, CALIFORNIA;

2 TUESDAY, SEPTEMBER 25, 2012, 8:05 P.M.

3
4 THE VIDEOGRAPHER: Good morning. We are on 08:05:38
5 the record at 8:05 a.m. Today's date is September 25th, 08:05:39
6 2012. My name is Christabel Rivero. I am the video 08:05:45
7 technician with JTV Litigation Services Incorporated, 08:05:50
8 located in Los Angeles. 08:05:56

9 We are taping these proceedings at 350 South 08:05:58
10 Figueroa Street, Los Angeles, California. This is Tape 08:06:02
11 1 for the videotaped deposition of Mr. Zvi Ryzman, in 08:06:05
12 the action entitled Mutual Industries Inc. versus 08:06:10
13 American International Industries. 08:06:14

14 This deposition is being taken on behalf of 08:06:15
15 the plaintiffs. The Case Number is 2:11-CV-05007-RBC 08:06:19
16 (sic). 08:06:26

17 Now, may I please have introductions with the 08:06:27
18 record beginning with the witness. 08:06:31

19 THE WITNESS: Zvi Ryzman. 08:06:33

20 MR. MILBY: Eric Milby, counsel for Mutual 08:06:34
21 Industries. 08:06:37

22 MR. PRIORE: Good morning. Philip Priore of 08:06:39
23 McCormick & Priore. Our firm represents American 08:06:39
24 International Industries. 08:06:40

25 /// 08:06:41

1	///	08:06:41
2	ZVI RYZMAN,	08:06:41
3	having been first duly affirmed by the reporter, was	08:06:41
4	examined and testified as follows:	08:06:41
5		08:06:41
6	EXAMINATION	08:06:41
7	BY MR. MILBY:	08:06:53
8	Q Good morning, Mr. Ryzman.	08:06:54
9	A Good morning.	08:06:56
10	Q My name is Eric Milby, and I represent Mutual	08:06:56
11	Industries in this matter.	08:07:00
12	Have you ever had your deposition taken	08:07:02
13	before.	08:07:04
14	A Yes, I did.	08:07:04
15	Q How long ago?	08:07:07
16	A A couple of months ago.	08:07:10
17	Q In a business related case?	08:07:11
18	A Yes.	08:07:13
19	Q Okay. I'll just remind you of the rules. You	08:07:15
20	would probably prefer them fresh in your mind.	08:07:17
21	Sitting to your right is the court reporter	08:07:19
22	who's going to take down everything you and I discuss	08:07:22
23	today. So in order for her to do her job properly we	08:07:24
24	can't speak over each other.	08:07:28
25	You'll have to wait for me to finish my	08:07:30

1 question before you begin to answer. And likewise, I 08:07:33
2 will have to wait for you to answer before I ask the 08:07:34
3 next question. 08:07:39
4 All of the answers must be verbal. She can't 08:07:40
5 take down a shrug of the shoulders or nod of the head, 08:07:42
6 any kind of gesture. 08:07:42
7 If there's any question that I ask you that's 08:07:43
8 at all confusing or you're just not clear on what my 08:07:45
9 question is, please ask me to rephrase it. 08:07:49
10 There's not any trick questions and we don't 08:07:52
11 want you to be confused by my questions. So if it's at 08:07:55
12 all confusing, please just ask to rephrase and I'll be 08:07:58
13 happy to do so. 08:08:02
14 If there's any answer that you give that's a 08:08:03
15 guess or estimate, that's fine. Just make sure that you 08:08:07
16 indicate to us that you are estimating or guessing or 08:08:09
17 giving us a reasonable approximation. 08:08:13
18 Do you understand all of those instructions? 08:08:15
19 A Yes. 08:08:16
20 Q Okay. Are you taking any medications or -- 08:08:17
21 that might affect your ability to recall events or 08:08:21
22 testify truthfully here today? 08:08:25
23 A Not that I know of. 08:08:28
24 Q I'm going to show you a copy of your 08:08:31
25 deposition notice. We'll mark it Exhibit 1. 08:08:33

1 (Deposition Exhibit 1 was marked for 08:08:37
2 identification.) 08:08:37
3 MR. PRIORE: Thanks. And we have a formal 08:08:40
4 response to that, which I'd like to mark as Exhibit 2, 08:08:42
5 that discusses our position with regard to request for 08:08:45
6 certain documents. 08:08:49
7 MR. MILBY: Okay. 08:08:50
8 MR. PRIORE: That copy is for you. I didn't 08:08:52
9 have a stapler. So we can give this to the court 08:08:54
10 reporter. 08:08:56
11 (Deposition Exhibit 2 was marked for 08:08:56
12 identification.) 08:08:56
13 MR. PRIORE: Mark, I will tell you that a 08:09:17
14 search was performed and no records were found that were 08:09:18
15 responsive, other than there are records I pulled 08:09:21
16 relating to Mutual and Mastex. 08:09:24
17 But they all had to do with the prior 08:09:27
18 litigations between the two companies. So our position 08:09:29
19 is that they're not discoverable in this litigation. 08:09:32
20 MR. MILBY: Okay. We'll take this up later. 08:09:39
21 BY MR. MILBY: 08:09:41
22 Q I've shown you a copy of your deposition 08:09:41
23 and -- deposition notice rather. As we discussed 08:09:43
24 previously, off the record, I recognize now that I've 08:09:47
25 been misspelling you're last name. It's R-Y-Z-M-A-N. I 08:09:51

1 apologize for that. 08:09:56

2 My next question to you was going to be have 08:09:57

3 you brought any documents with you today. And I 08:09:59

4 understand from the Exhibit 2, that you've just provided 08:10:01

5 to me, that you did not bring any documents with you 08:10:05

6 today; is that correct? 08:10:07

7 A Correct. 08:10:09

8 Q Okay. Do you regularly use e-mail in the 08:10:09

9 course of your day-to-day business operations? 08:10:36

10 A Yes. 08:10:39

11 MR. PRIORE: Objection to form. 08:10:39

12 But go ahead. 08:10:40

13 BY MR. MILBY: 08:10:44

14 Q Did -- do you e-mail with the rep groups that 08:10:44

15 you use? 08:10:47

16 A No. 08:10:48

17 Q Do you e-mail with any of the individuals that 08:10:51

18 are employed by the rep groups? 08:10:53

19 A No. 08:10:55

20 Q Let's talk about the rep groups. When I say 08:11:04

21 "you," I mean American International Industries. What 08:11:07

22 rep groups do you use in the United States? 08:11:11

23 MR. PRIORE: Is this currently? 08:11:14

24 BY MR. MILBY: 08:11:14

25 Q Let's do it both ways. Let's do it currently. 08:11:15

1 Who do you use? 08:11:19

2 A Depends on which territory. 08:11:23

3 Q Okay. So let's break it down. There would be 08:11:25

4 five territories in the United States; is that correct? 08:11:28

5 A The West, East -- actually, four I think. 08:11:42

6 Q You say "four"? 08:11:50

7 A Yeah. 08:11:50

8 Q Okay. I've been told there was the West 08:11:51

9 Coast. Is that one territory? 08:11:53

10 A Mm-hm. 08:12:02

11 MR. PRIORE: Indicating "yes." 08:12:03

12 BY MR. MILBY: 08:12:03

13 Q The West Coast is a territory? 08:12:03

14 A Yes. 08:12:04

15 Q Southeast? 08:12:04

16 A Southeast, right. 08:12:04

17 Q Northeast? 08:12:05

18 A Northeast, right. 08:12:07

19 Q Okay. Let's talk about the West Coast. 08:12:29

20 What -- I have a feeling there's another 08:12:32

21 territory that I'm missing? 08:12:34

22 A Possibly. 08:12:36

23 Q Let's talk about the West Coast. What rep 08:12:36

24 group does you use on the West Coast? 08:12:39

25 MR. PRIORE: Currently? 08:12:45

1	MR. MILBY: Currently.	08:12:46
2	THE WITNESS: A guy named Chishna (phonetic	08:12:50
3	spelling).	08:12:51
4	BY MR. MILBY:	08:12:53
5	Q That's Harland Kirschner?	08:12:55
6	A And some others but I don't know their names.	08:12:58
7	Q How about in the Midwest?	08:13:01
8	A Midwest. I don't know the name of the group.	08:13:07
9	Q What's the name of the group?	08:13:31
10	A I deal with --	08:13:33
11	MR. PRIORE: You've answered the question, you	08:13:34
12	don't remember. That's fine.	08:13:36
13	BY MR. MILBY:	08:13:38
14	Q Did -- when I'm asking these questions, are	08:13:39
15	you answering with respect to the individual reps or the	08:13:41
16	rep groups?	08:13:45
17	A The rep groups.	08:13:46
18	Q Harland Kirschner, you're not referring to the	08:13:48
19	man?	08:13:52
20	A No.	08:13:53
21	Q How about VNC?	08:13:54
22	A Huh?	08:13:57
23	Q VNC, do you use them in the Midwest?	08:13:55
24	A I don't know who VNC is.	08:14:00
25	Q Do you know Kevin VanNest?	08:14:02

1	A	Kevin VanNest, yes.	08:14:09
2	Q	Do you use his company?	08:14:11
3	A	I use him. I don't think in the Midwest. I	08:14:13
4		think he's in Texas or something.	08:14:15
5	Q	Okay. And how about Charlie Coleman, do you	08:14:19
6		know Charlie Coleman?	08:14:28
7	A	Yes.	08:14:30
8	Q	Do you use his company?	08:14:30
9	A	Yes, I do.	08:14:32
10	Q	Do you know where you use Charlie Coleman?	08:14:33
11	A	He's from Texas.	08:14:40
12	Q	Yes. He is Kevin VanNest's partner?	08:14:41
13	A	From Texas.	08:14:44
14	Q	Texas is the only place you can think that you	08:14:45
15		use him?	08:14:48
16	A	I don't know.	08:14:48
17	Q	How about Southeast, do you know which	08:14:49
18		companies American International uses in the Southeast?	08:14:55
19	A	Yes.	08:15:10
20	Q	Whose that?	08:15:11
21	A	Harland Kirschner.	08:15:14
22	Q	Okay. Anyone else?	08:15:15
23	A	His group.	08:15:22
24	Q	Just him?	08:15:22
25	A	His group, yeah.	08:15:23

1	Q	Okay. How about in the Northeast?	08:15:24
2	A	Okay.	08:15:35
3	Q	Do you know who you use in the Northeast?	08:15:37
4	A	Gary Udell (phonetic spelling).	08:15:42
5	Q	I'm sorry?	08:15:45
6	A	Gary Udell.	08:15:45
7	Q	Anyone else in the Northeast?	08:15:47
8	A	One of the groups -- there's one group, Chuck	08:15:54
9		Cohen (phonetic spelling). I don't know his group's	08:15:57
10		name.	08:16:00
11	Q	That would be CFN?	08:16:04
12	A	CFN.	08:16:06
13	Q	Okay. Have the rep groups that you use in	08:16:07
14		these territories changed since July of 2010?	08:16:58
15	A	No clue.	08:17:02
16	Q	You don't know.	08:17:04
17		Let's talk a little bit about your position,	08:17:06
18		your day-to-day business and your company. For	08:17:09
19		starters, when was American International formed?	08:17:13
20	A	1971.	08:17:20
21	Q	And are you the founder?	08:17:21
22	A	Yes, I am.	08:17:23
23	Q	It's a privately held company?	08:17:24
24	A	Yes, it is.	08:17:26
25	Q	And you're the sole owner?	08:17:27

1	A	No.	08:17:29
2	Q	Who else owns the company?	08:17:29
3	A	It's not -- I'm not the owner. It's a	08:17:31
4		corporation who owns it. A corporation called Glamor	08:17:35
5		Industries.	08:17:38
6	Q	Can you spell that?	08:17:40
7	A	Glamuor, G-L-A-M-U-O-R (sic), Industries.	08:17:41
8	Q	And who owns Glamor Industries?	08:17:49
9	A	I own it.	08:17:52
10	Q	Glamor Industries is a corporation?	08:17:53
11	A	Yes, it.	08:17:56
12	Q	Are you the only shareholder?	08:17:57
13	A	My wife.	08:17:59
14	Q	Your wife and you?	08:17:59
15	A	(Inaudible response.)	08:18:02
16	Q	Does your wife work in the company or is she	08:18:03
17		just a --	08:18:06
18	A	She doesn't.	08:18:07
19	Q	So the -- if I understand you correctly, the	08:18:17
20		stock of American International Industry is 100 percent	08:18:20
21		owned by Glamor Industries?	08:18:23
22	A	No.	08:18:25
23	Q	Okay.	08:18:27
24	A	Glamor Industries has other partners.	08:18:28
25	Q	Has other partners in American International?	08:18:31

1	A	Right.	08:18:34
2	Q	Who are the other partners in International?	08:18:35
3	A	ARYZ Corporation.	08:18:41
4	Q	Can you spell that?	08:18:43
5	A	A-R-Y-Z.	08:18:44
6	Q	Are you the owner of ARYZ Corporation?	08:18:47
7	A	No, I'm not.	08:18:50
8	Q	Who's the owner?	08:18:51
9	A	One of my children.	08:18:52
10	Q	Any other companies own stock in American	08:18:58
11		International?	08:19:00
12	A	Yes.	08:19:02
13	Q	Who?	08:19:02
14	A	SRYZ.	08:19:03
15	Q	And who owns the stock of SRYZ?	08:19:07
16	A	One of my children.	08:19:12
17	Q	Any other companies own stock in American	08:19:13
18		International?	08:19:15
19	A	ERX Corporation.	08:19:19
20	Q	Is that also owned by your children?	08:19:20
21	A	Yes.	08:19:24
22	Q	Any other companies own stock in American	08:19:25
23		International?	08:19:25
24	A	ARZI Properties, Inc.	08:19:26
25	Q	And who owns ARZI Properties, Inc.?	08:19:35

1	A	One of my children.	08:19:40
2	Q	Any other companies own stock in American	08:19:41
3		International?	08:19:43
4	A	No.	08:19:45
5	Q	Is -- how many children do you have?	08:19:48
6	A	Four.	08:19:50
7	Q	So there's one company for each child?	08:19:51
8	A	Yes.	08:19:54
9	Q	Anybody outside of your family own American	08:19:58
10		International stock?	08:20:00
11	A	No.	08:20:02
12	Q	Anybody outside your family -- I think you	08:20:03
13		already answered this, but is anybody outside your	08:20:06
14		family, anybody other than you and your wife, own stock	08:20:09
15		in Glamor Industries?	08:20:18
16	A	No.	08:20:20
17	Q	Does Glamor Industries have any revenue, other	08:20:23
18		than the revenue that it earns from American	08:20:26
19		International Industries?	08:20:29
20		MR. PRIORE: Objection to form.	08:20:32
21		You can answer.	08:20:33
22		THE WITNESS: I know, but I have to ask my	08:20:34
23		CPA. I don't know to say yes or no. It's irrelevant	08:20:38
24		for all purposes to answer that. I don't want to say	08:20:44
25		yes or no. I don't know.	08:20:47

1 BY MR. MILBY: 08:20:49

2 Q Let me ask it a better way. 08:20:50

3 Is Glamor Industries primary revenue source 08:20:51

4 the money that it earns from owning American 08:20:55

5 International? 08:20:58

6 MR. PRIORE: Object. 08:21:01

7 But you can answer. 08:21:02

8 THE WITNESS: I'm not so sure. I won't 08:21:04

9 answer. 08:21:05

10 BY MR. MILBY: Okay. Describe for me, in your words, 08:21:20

11 what is American International's business? 08:21:23

12 A Manufacturing and distributing beauty product. 08:21:34

13 Q How does American International rank in 08:21:49

14 comparison to other privately held manufacturers and 08:21:54

15 distributors in the beauty industry? 08:22:00

16 A No clue. 08:22:03

17 MR. PRIORE: Objection to form. 08:22:04

18 Go ahead. 08:22:05

19 BY MR. MILBY: 08:22:05

20 Q You don't know if it's the largest or -- 08:22:05

21 A No clue. 08:22:08

22 Q Do you know of any other competitors in that 08:22:09

23 industry that are similar to -- size to American 08:22:13

24 International? 08:22:15

25 A No clue. 08:22:16

1 MR. PRIORE: Object to form. 08:22:18

2 BY MR. MILBY: 08:22:19

3 Q What is American International -- in 2011, 08:22:20

4 what was American International's gross revenue? 08:22:22

5 MR. PRIORE: What's the relevance of that? 08:22:28

6 MR. MILBY: Size of the company. 08:22:32

7 MR. PRIORE: Well, if it's public information, 08:22:33

8 that's one thing. If it's private information, I don't 08:22:35

9 think it should be. 08:22:38

10 MR. MILBY: It's relevant for the purposes of 08:22:39

11 this proceeding. 08:22:41

12 MR. PRIORE: I can't get any financial 08:22:42

13 documents from Mutual, who's making a claim. I don't 08:22:44

14 think it's appropriate that Mr. Ryzman have to give up 08:22:47

15 any type of financial information related to American. 08:22:50

16 We're not making any claim. 08:22:53

17 I'm very uncomfortable giving out any 08:22:54

18 financial information, just like you felt your guy's 08:22:58

19 financial information was proprietary. He wasn't going 08:23:01

20 to give it to me. We're in the same boat. 08:23:04

21 MR. MILBY: You're talking about sales. The 08:23:07

22 information that you want, sales of particular products, 08:23:08

23 to whom. 08:23:12

24 Those are the kind of what I'll call "trade 08:23:12

25 secrets" that I'm not intending to ask Mr. Ryzman. 08:23:15

1 I'm looking for gross numbers and the size of 08:23:18
2 the company. It doesn't reveal much of anything. It 08:23:21
3 probably is fairly well known in the industry, anyway. 08:23:24
4 MR. PRIORE: I don't know that it's fairly 08:23:28
5 well known in the industry. My position remains the 08:23:30
6 same. I think it's privileged information. Not at all 08:23:33
7 relevant to this case. Not even for discovery purposes. 08:23:36
8 MR. MILBY: I believe it it's relevant and I 08:23:41
9 think it's something we're going to have to come back 08:23:42
10 to. So ... 08:23:44
11 MR. PRIORE: I mean, if it's public 08:23:48
12 information, you can get it publicly. 08:23:49
13 BY MR. MILBY: 08:24:01
14 Q Do you know what the value of American 08:24:01
15 International Industries is? 08:24:02
16 MR. PRIORE: Same objection. 08:24:07
17 MR. MILBY: Are you instructing him not to 08:24:08
18 answer? 08:24:09
19 MR. PRIORE: Yes. I don't know what it means. 08:24:10
20 I think you would have to get a some type of accountant 08:24:12
21 to do a valuation to say, at this moment, what is the 08:24:15
22 value of American International. 08:24:19
23 And I think it's vague. Not capable of being 08:24:20
24 answered on that basis, as well -- 08:24:24
25 ///

1 MR. MILBY: I'm not asking what the value is. 08:24:26

2 BY MR. MILBY: 08:24:30

3 Q Do you know what the value of your company is? 08:24:30

4 A No. 08:24:30

5 Q Do you have an idea? 08:24:30

6 A No. 08:24:30

7 Q Do you have a range? 08:24:30

8 A No. 08:24:30

9 Q Do you know if it is more than \$10 million? 08:24:30

10 MR. PRIORE: Same objections. We are not 08:24:33

11 getting into this. 08:24:33

12 THE WITNESS: (Inaudible response.) 08:24:35

13 THE REPORTER: I'm sorry, I can't -- 08:24:42

14 MR. PRIORE: You can't talk to me. 08:24:44

15 BY MR. MILBY: 08:24:51

16 Q Did -- how many different brands does 08:24:51

17 American International manufacture? 08:24:57

18 A Over 30. 08:25:08

19 Q And if you can tell me, not with respect to 08:25:24

20 each brand, but across those 30 brands, what type of 08:25:27

21 beauty products does American International sell? 08:25:30

22 A Nail product, skin product, eye product, feet 08:25:35

23 product, hair product, men's product, women's product. 08:25:47

24 Q Appliances as well? 08:25:58

25 MR. PRIORE: Objection to form. 08:26:00

1	But go ahead.	08:26:02
2	THE WITNESS: Almost none. Almost none. Very	08:26:04
3	few.	08:26:06
4	BY MR. MILBY:	08:26:06
5	Q Okay. And let me make sure my question was	08:26:06
6	clear.	08:26:15
7	I'm asking you what products American	08:26:15
8	International sells, not necessarily manufactures.	08:26:17
9	Would your answer be the same?	08:26:21
10	MR. PRIORE: Your question was manufacture.	08:26:24
11	Are you changing?	08:26:25
12	BY MR. MILBY:	08:26:26
13	Q You answered what products American	08:26:26
14	International manufactures?	08:26:28
15	A Yes.	08:26:31
16	Q Okay. What products does American	08:26:31
17	International sell that are manufactured for it?	08:26:34
18	A As I mentioned before, nail product, hair	08:26:44
19	product, eye product, feet product, men's product,	08:26:45
20	women's product.	08:26:45
21	Q Okay. Does it sell appliances that are	08:26:53
22	manufactured for it?	08:27:03
23	A Very few.	08:27:04
24	Q Okay. What are those appliances?	08:27:06
25	A Wax machines, nail machines, and -- what do	08:27:13

1 you call this, paraffin machine. 08:27:33

2 Q What American International brands sell 08:27:57

3 muslin? 08:28:02

4 MR. PRIORE: We're talking currently as 08:28:08

5 opposed to any other point in time? 08:28:10

6 MR. MILBY: Yes. 08:28:12

7 THE WITNESS: Gigi, I think. There's another 08:28:13

8 brand. I don't remember -- 08:28:26

9 (mumbling.) 08:28:27

10 THE WITNESS: Another brand. I don't remember 08:28:36

11 the name of the brand now. 08:28:37

12 Let me look at my card. I'll remember the 08:28:40

13 name of the brand. Excuse me. There's another brand. 08:28:43

14 It's not in here. I don't know the name. 08:29:12

15 BY MR. MILBY: 08:29:16

16 Q Is this your business card? 08:29:16

17 A Yes, it is. 08:29:18

18 Q Can we have a copy to mark it? It might save 08:29:18

19 some questions? 08:29:21

20 A Yes. 08:29:22

21 Q Thank you. 08:29:23

22 MR. PRIORE: I don't know if all 30 can fit on 08:29:28

23 the back. 08:29:30

24 THE WITNESS: They don't. 08:29:32

25 MR. MILBY: Let's mark this Number 3. 08:29:34

1 (Deposition Exhibit 3 was marked for 08:29:36
2 identification.) 08:29:36
3 MR. MILBY: You might have difficult time. 08:29:36
4 MR. PRIORE: Do you want to make a copy of it 08:29:39
5 and mark the copy? 08:29:41
6 MR. MILBY: Yeah, we'll mark it after. 08:29:42
7 BY MR. MILBY: 08:29:45
8 Q All right. So the back of your business card 08:29:48
9 has a lot of the brands that American International 08:29:52
10 manufactures or sells; is that correct? 08:29:56
11 A Yes. 08:29:58
12 Q Is it all of them? 08:29:59
13 A Probably not. 08:30:01
14 Q "Probably not." Does American International 08:30:02
15 sell products that -- any complimentary products to 08:30:25
16 muslin? 08:30:32
17 MR. PRIORE: Objection to form. 08:30:34
18 But go ahead. 08:30:37
19 THE WITNESS: What does it mean? I don't 08:30:40
20 understand the question, complimentary to muslin. 08:30:42
21 BY MR. MILBY: 08:30:47
22 Q Let me ask it this way: Muslin is applied 08:30:47
23 with a wax? 08:30:49
24 A Right. 08:30:51
25 Q Do you sell the wax? 08:30:51

1	A	Yes, we do.	08:30:52
2	Q	Under what brand?	08:30:54
3	A	Gigi.	08:30:54
4	Q	Do you sell it under any other brands?	08:30:56
5	A	Yes.	08:30:58
6	Q	Is this the only other brand whose name you	08:30:59
7		couldn't recall?	08:31:00
8	A	I don't remember.	08:31:01
9	Q	Okay. And how about -- are there applicators	08:31:02
10		used to apply the wax?	08:31:08
11	A	Yes.	08:31:09
12	Q	And is that something that's sold by American	08:31:09
13		International?	08:31:11
14	A	Yes, it is.	08:31:13
15	Q	Do you know what brands it's sold under?	08:31:13
16	A	Gigi.	08:31:17
17	Q	Any others?	08:31:18
18	A	I don't remember. Yes, but I don't remember	08:31:19
19		what they are now.	08:31:22
20	Q	I apologize if I got this confused. Paraffin	08:31:39
21		wax, is that the wax or is that a different wax?	08:31:44
22		Depilatory wax is the wax that is sold by the brand you	08:31:50
23		don't remember?	08:31:51
24	A	Yes.	08:31:53
25	Q	So Gigi sells depilatory wax, as well?	08:31:53

1	A	Yes.	08:31:53
2	Q	And this other brand that you don't recall?	08:31:54
3		MR. PRIORE: Also sells depilatory wax?	08:31:57
4		MR. MILBY: Yes.	08:32:01
5		THE WITNESS: Yes.	08:32:02
6	BY MR. MILBY:		08:32:05
7	Q	Do you sell paraffin wax?	08:32:05
8	A	Yes.	08:32:07
9	Q	What brand do you sell paraffin wax?	08:32:07
10	A	Under Gigi.	08:32:11
11	Q	Any others?	08:32:12
12	A	Yes.	08:32:12
13	Q	Also this other company whose name that you	08:32:12
14		don't recall?	08:32:15
15	A	Yes.	08:32:15
16	Q	If you recall the name of that company at any	08:32:16
17		point during this deposition, will you remind -- will	08:32:18
18		you tell me what --	08:32:20
19	A	I will.	08:32:39
20		THE REPORTER: I am going to ask that you wait	08:32:39
21		until he finishes his question. Because it is	08:32:39
22		impossible for me to take two people at the same time	08:32:39
23		speaking.	08:32:39
24		So if you could wait, maybe rest a second,	08:32:39
25		that would be great.	08:32:39

1	Thank you.	08:32:39
2	BY MR. MILBY:	08:32:39
3	Q And depilatory wax warmers, do you sell	08:32:36
4	depilatory wax warmers?	08:32:47
5	A Yes.	08:32:52
6	Q Also under Gigi?	08:32:52
7	A Under Gigi.	08:32:54
8	Q And another brand. How about paraffin baths,	08:32:54
9	do you sell paraffin baths?	08:32:59
10	A Yes.	08:33:01
11	Q Under what brand?	08:33:01
12	A Gigi.	08:33:02
13	Q Okay. And also under this other brand?	08:33:03
14	A I assume yes.	08:33:11
15	Q Okay. Is the other brand Thermal Spa?	08:33:13
16	A The other brand, no.	08:33:31
17	Q I'm sorry. I didn't understand?	08:33:34
18	A No, there's another name.	08:33:36
19	Q Okay.	08:33:38
20	MR. PRIORE: Eric, all of your questions, with	08:33:46
21	regard to what they sell, that's all for current -- I	08:33:48
22	don't know that it makes a difference as to 2010 to now.	08:33:51
23	Your questions are all for currently?	08:33:57
24	MR. MILBY: That's correct.	08:33:59
25	MR. PRIORE: Okay.	08:34:00

1	BY MR. MILBY:	08:34:06
2	Q Do you attend trade shows?	08:34:06
3	A Rarely.	08:34:16
4	Q Where?	08:34:18
5	A Rarely. Only there.	08:34:18
6	Q There any particular trade shows that you	08:34:21
7	attend?	08:34:25
8	A Yes.	08:34:25
9	Q Which shows?	08:34:26
10	A Vegas.	08:34:27
11	Q And Vegas would be the Cosmoprof show?	08:34:28
12	A Yes.	08:34:35
13	Q Any others that you attend?	08:34:36
14	A Rarely.	08:34:37
15	Q Do you attend the West Coast Beauty Reps show?	08:34:41
16	A Rarely.	08:34:47
17	Q How about the Northeast Beauty Reps	08:34:48
18	Association show?	08:34:48
19	A Rarely.	08:34:53
20	Q Do you know when the last time you attended	08:34:54
21	the NEBRA show, Northeast Beauty Reps?	08:34:57
22	A Many, many years ago.	08:35:03
23	Q Not since 2010?	08:35:04
24	A No.	08:35:06
25	Q You attend Cosmoprof every year?	08:35:07

1	Q	Okay. And you have a title. I assume you're	08:37:24
2		the President and CEO; is that correct?	08:37:29
3	A	No.	08:37:32
4	Q	Who's the President?	08:37:33
5	A	No one.	08:37:34
6	Q	Do you have a title?	08:37:35
7	A	No.	08:37:36
8	Q	Do -- okay. Is there a Vice President?	08:37:37
9	A	In title, yes.	08:37:47
10	Q	But there's nobody that's the President?	08:37:49
11	A	No.	08:37:52
12	Q	Is there a Chief Executive Officer?	08:37:54
13	A	No.	08:37:56
14	Q	Is there a board of directors?	08:37:57
15	A	No.	08:37:58
16	Q	How about at Glamor Industries, do you have a	08:38:07
17		title at Glamor Industries?	08:38:11
18	A	Yes.	08:38:13
19	Q	What's your title?	08:38:13
20	A	President.	08:38:14
21	Q	Is there a board of directors for Glamor?	08:38:15
22	A	Probably.	08:38:18
23	Q	Okay. But you don't know?	08:38:18
24	A	We do.	08:38:25
25	Q	Okay. Do you know who's on the board?	08:38:26

1	A	Yeah, yes.	08:38:30
2	Q	Who is it?	08:38:31
3	A	My wife.	08:38:32
4	Q	Anyone else?	08:38:32
5	A	And a guy named Brian Dror.	08:38:35
6	Q	What's his connection to the company?	08:38:41
7	A	He's the CPA.	08:38:43
8	Q	Can you spell his name?	08:38:45
9	A	B-R-I-A-N, D-R-O-R.	08:38:47
10	Q	Dror?	08:38:54
11	A	(Inaudible response.)	08:38:54
12	Q	Are Glamor Industries offices also located at	08:39:06
13		2220 Jasper Avenue?	08:39:09
14	A	No.	08:39:12
15	Q	Where is Glamor Industries offices?	08:39:13
16	A	At the CPA offices.	08:39:15
17	Q	Okay. When you say you check that everything	08:39:20
18		is going to be okay, what does that entail?	08:39:40
19	A	I go around and I ask if there are any	08:39:48
20		problems. And if there are, they tell me. I try to	08:39:54
21		solve them.	08:40:01
22	Q	So you -- there's several components to your	08:40:01
23		company; correct? You have manufacturing facilities;	08:40:05
24		right?	08:40:08
25	A	Yes.	08:40:08

1	Q	And the manufacturing facilities, are they	08:40:09
2		mostly located at Jasper Avenue?	08:40:12
3	A	Yes.	08:40:14
4	Q	And so you oversee what's going on at the	08:40:14
5		manufacturing facilities; correct?	08:40:20
6	A	Correct.	08:40:23
7		MR. PRIORE: Object to form.	08:40:23
8		But go ahead.	08:40:23
9		Objection to form.	08:40:25
10		But you can answer.	08:40:26
11		BY MR. MILBY:	08:40:30
12	Q	Is there another individual who oversees the	08:40:30
13		manufacturing facilities?	08:40:33
14	A	Yes.	08:40:34
15	Q	Who's in charge of manufacturing?	08:40:35
16	A	Herman. I don't know his last name.	08:40:41
17	Q	Therman?	08:40:45
18		MR. PRIORE: Herman.	08:40:46
19		THE WITNESS: Herman.	08:40:47
20		BY MR. MILBY:	08:40:48
21	Q	Okay. And you have a sales division?	08:40:48
22	A	Yes, I do.	08:40:50
23	Q	And who's in charge of sales?	08:40:51
24	A	Mark Moesta.	08:40:53
25	Q	And Mark reports to you, as well?	08:40:57

1	A	Mark reports to me, as well.	08:40:59
2	Q	And does he have a title?	08:41:01
3	A	VP of sales.	08:41:04
4	Q	And are his offices at Jasper Avenue?	08:41:07
5	A	Yes, it is.	08:41:11
6	Q	Is he there on a day-to-day basis?	08:41:11
7	A	Either there or on the road.	08:41:14
8	Q	I'm sorry. I didn't catch you.	08:41:21
9		MR. PRIORE: There or on the road.	08:41:24
10		THE WITNESS: There or on the road.	08:41:26
11	BY MR. MILBY:		08:41:28
12	Q	Did -- what is Terri Cooper's title?	08:41:28
13	A	VP.	08:41:31
14	Q	Just Vice President?	08:41:32
15	A	Vice President.	08:41:33
16	Q	Of the entire operation?	08:41:34
17	A	Yes.	08:41:36
18	Q	And her offices are also at Jasper Avenue?	08:41:37
19	A	Yes, it is.	08:41:41
20	Q	So are there any other vice presidents besides	08:41:43
21		Mark Moister?	08:41:48
22	A	Yes.	08:41:51
23	Q	Who?	08:41:52
24	A	Charlie Loveless (phonetic spelling).	08:41:53
25	Q	And what does Charlie oversee?	08:41:55

1	A	Operation.	08:41:57
2	Q	How often do you speak to Mark Moesta?	08:42:11
3		MR. PRIORE: With regard to the business, I'm	08:42:20
4		assuming.	08:42:21
5		MR. MILBY: Yes.	08:42:23
6		THE WITNESS: Once, twice a day. Three times.	08:42:25
7		BY MR. MILBY:	08:42:27
8	Q	Did -- the subject of your conversation,	08:42:27
9		would be the sales of AI products?	08:42:29
10	A	Yes.	08:42:32
11	Q	Do you have an internal sales force?	08:42:33
12	A	Yes.	08:42:36
13	Q	How many people are in your sales force?	08:42:36
14	A	I take it back. "Internal," what do you mean	08:42:46
15		by internal?	08:42:51
16	Q	Do you sell your products through beauty reps?	08:42:52
17	A	Right.	08:42:55
18	Q	We've discussed that already. You sell many	08:42:56
19		of your products through beauty reps; correct?	08:42:59
20	A	Correct.	08:43:03
21	Q	That would be what I refer to as an external	08:43:03
22		sales force, people who are not employed by you but they	08:43:06
23		receive commission for selling your products; correct?	08:43:18
24	A	Correct.	08:43:19
25	Q	Are there people that are employed by you that	08:43:19

1 are paid by American International Industries that sell 08:43:20
2 your products, besides Mark Moesta? 08:43:21
3 A Yes. 08:43:24
4 Q How many people is that? 08:43:24
5 A I think three or four. I'm not sure. 08:43:25
6 Q Do they deal directly with the beauty reps or 08:43:28
7 do they go out and sell products themselves? 08:43:31
8 A I hope they do both. 08:43:36
9 Q Okay. Who are those individuals? 08:43:38
10 A You'd have to ask Mark. Mark will give you 08:43:41
11 the names. 08:43:44
12 Q Do they all report to Mark? 08:43:45
13 A Yes, they do. 08:43:47
14 Q Can you tell me why you have three or four 08:43:53
15 people internally that sell and also use external sales 08:43:54
16 reps? 08:43:59
17 A Why three or four internally? 08:44:03
18 Q You indicated, other than Mark, you have three 08:44:06
19 or four people that are -- 08:44:08
20 A Those people live in various places in the 08:44:10
21 country. They don't live in California. 08:44:12
22 Q Okay. 08:44:15
23 A They're called regionals. 08:44:16
24 Q Okay. So there's one in every other region? 08:44:19
25 A In a few regions there are some people. One 08:44:26

1	though.	08:44:30
2	Q Does one of these individuals live in the	08:44:31
3	Northeast?	08:44:34
4	A You have to ask Mark.	08:44:35
5	Q The other division -- I'm sorry. The other	08:44:47
6	region that I think I left off when we were talking	08:44:50
7	previously was the Southwest.	08:44:53
8	A Southwest.	08:44:55
9	Q Do you know if you use a beauty rep group in	08:44:56
10	the Southwest?	08:44:59
11	A Kevin, yeah.	08:45:00
12	Q Kevin VanNest?	08:45:03
13	A Yes.	08:45:06
14	Q Any others?	08:45:07
15	A I don't know.	08:45:08
16	Q Do you know -- can you tell us why you don't	08:45:12
17	use one rep group throughout the country?	08:45:16
18	A You will need to ask Mark.	08:45:30
19	Q Okay. So that's not a policy decision that	08:45:32
20	you would weigh-in on?	08:45:34
21	A No, not at all.	08:45:36
22	Q You would delegate that entirely to Mark?	08:45:37
23	A Yes.	08:45:55
24	Q So if Mark decided to change rep groups -- for	08:46:08
25	example, if he decided to terminate Harland Kirschner	08:46:12

1 and hire a different rep in the West Coast region or in 08:46:14
2 the Southeast region, is that a decision he'd have to 08:46:21
3 come to you for? 08:46:25
4 MR. PRIORE: Objection to form. 08:46:26
5 You can answer. 08:46:28
6 THE WITNESS: He would tell me, but he would 08:46:32
7 make the decision. 08:46:34
8 BY MR. MILBY: 08:46:35
9 Q Okay. Do you communicate at all by telephone 08:46:35
10 with any of the rep groups? 08:46:48
11 A Rarely. 08:46:50
12 Q Okay. And what occasions would you have to 08:46:51
13 communicate with them either by telephone or e-mail? 08:46:54
14 A They call me to wish me happy New Year. 08:46:57
15 Q So that would have been last week? 08:47:05
16 A Last week. 08:47:08
17 Q Who did you get calls from last week? 08:47:09
18 A From Dedel (phonetic spelling). 08:47:12
19 Q I was -- I'm assuming you were referring to 08:47:15
20 the Jewish New Year? 08:47:18
21 A I get December, too. Same thing. 08:47:21
22 MR. PRIORE: You get the benefit of both. 08:47:24
23 THE WITNESS: I get benefit of both. 08:47:28
24 BY MR. MILBY: 08:47:31
25 Q What did you get called for Rosh Hashanah? 08:47:32

1 A From Dedel and Chuck Cohen. 08:47:36

2 Q Did you speak to them? 08:47:39

3 A To Chuck, no. Dedel, yes. 08:47:39

4 Q Do you know his first name? 08:47:39

5 A Gary. 08:47:41

6 Q Do you know where Gary Dedel lives? 08:47:46

7 A In the East Coast. 08:47:51

8 Q Do you ever socialize with any of the 08:47:55

9 individuals who are employed by or own any of the rep 08:47:58

10 groups? 08:48:02

11 MR. PRIORE: Objection to form. 08:48:03

12 But go ahead. 08:48:04

13 THE WITNESS: No. 08:48:05

14 BY MR. MILBY: 08:48:06

15 Q Okay. 08:48:06

16 A I was invited to a wedding -- if you call 08:48:10

17 socialize -- to a wedding. I was invited to Harland's 08:48:13

18 wedding, but that's about it. 08:48:19

19 Q How about at the Cosmoprof show, do you ever 08:48:22

20 socialize with any of the reps? 08:48:29

21 A Not at all. 08:48:31

22 Q Never have a meal with any of them? 08:48:32

23 A Not at all. 08:48:34

24 Q Okay. Do you have business meetings with any 08:48:36

25 of the reps when you're at the Cosmoprof show? 08:48:45

1 MR. PRIORE: Are you talking currently again? 08:48:49
2 Because your questions could be -- he's been in business 08:48:51
3 since 1971. What are we talking about? The -- if you 08:48:53
4 want to stay with the current, that's fine. 08:48:58
5 BY MR. MILBY: 08:49:00
6 Q Let's say currently. We're talking about an 08:49:00
7 annual show. I want to say over the last several years. 08:49:03
8 A Rarely. Rarely. 08:49:08
9 Q Can you recall the last business meeting you 08:49:10
10 had with any sales rep or -- 08:49:13
11 A When I have a customer, very large customer, 08:49:17
12 without mentioning any name, and the rep group goes 08:49:23
13 along. 08:49:27
14 Q Okay. 08:49:28
15 A And I do recall, but I don't want to mention 08:49:32
16 the name. 08:49:34
17 Q Okay. Would a big company like Sally Beauty 08:49:34
18 Supply -- 08:49:38
19 A Correct. 08:49:41
20 Q Would that be a good example? 08:49:41
21 A Correct. 08:49:43
22 Q And so, have you had occasion to have a 08:49:43
23 meeting -- 08:49:47
24 A Many, yes. But Cosmoprof. 08:49:50
25 MR. PRIORE: Let him finish his question 08:49:56

1	before you answer.	08:49:57
2	BY MR. MILBY:	08:49:58
3	Q Have you had occasion to meet with a company	08:49:58
4	like Sally Beauty Supply where the rep came along in the	08:50:02
5	last couple years?	08:50:06
6	A Not the customer.	08:50:09
7	Q You had such a meeting?	08:50:11
8	A At Sally's.	08:50:13
9	Q Who came along to the meeting at Sally's?	08:50:14
10	A Kevin VanNest (phonetic spelling).	08:50:18
11	Q When was that?	08:50:20
12	A Many years ago. Three years ago. Four years	08:50:20
13	ago. Five years ago. I don't remember.	08:50:24
14	Q So you haven't had a meeting at Sally Beauty	08:50:26
15	Supply in the last three or four years?	08:50:28
16	A I haven't been there.	08:50:33
17	MR. PRIORE: Keep your hand away from your	08:50:36
18	mouth.	08:50:38
19	THE WITNESS: I'm sorry. I apologize.	08:50:38
20	BY MR. MILBY:	08:50:41
21	Q No problem. How long did the meeting last?	08:50:41
22	A Couple of hours.	08:50:46
23	Q Have you had similar such meetings with other	08:50:53
24	companies in the last couple of years?	08:50:56
25	A No.	08:50:58

1	Q	Do you know what criteria American	08:51:16
2		International uses to choose a rep group?	08:51:19
3	A	No.	08:51:24
4	Q	Do you get information from the rep groups	08:51:32
5		about what's going on in the marketplace?	08:51:34
6	A	No.	08:51:37
7		MR. PRIORE: Objection to form.	08:51:38
8		But go ahead.	08:51:39
9		When you said "you," you meant him personally,	08:51:47
10		versus the company?	08:51:50
11		MR. MILBY: Yes.	08:51:52
12		MR. PRIORE: Okay. Just making sure.	08:51:52
13		BY MR. MILBY:	08:51:53
14	Q	The 30 or so -- 30 plus companies that	08:51:54
15		brands -- that American International owns, have a fair	08:52:01
16		number of those been other companies that you've	08:52:06
17		acquired?	08:52:09
18		MR. PRIORE: Objection to form.	08:52:09
19		But go ahead.	08:52:10
20		THE WITNESS: Yes.	08:52:12
21		BY MR. MILBY:	08:52:12
22	Q	How many of them, roughly?	08:52:13
23	A	Many of them.	08:52:17
24	Q	Okay. Would you say most of them are	08:52:18
25		companies that you acquired since?	08:52:21

1 A I have to think. I don't know. 08:52:24

2 Q Okay. Do you regularly, in your capacity as 08:52:26

3 the owner or one of the owners of American 08:52:50

4 International, look for companies to acquire? 08:52:52

5 A Yes. 08:52:55

6 Q Okay. And who do you talk to about whether or 08:52:56

7 not that company would be a good acquisition or what do 08:53:01

8 to determine whether it would be a good acquisition? 08:53:05

9 A Usually to the seller. 08:53:09

10 Q How about Mark Moesta? 08:53:13

11 A I ask him, as well. 08:53:17

12 Q Do you ever talk -- or do you ever have him 08:53:23

13 talk to any of the beauty reps about what they're going 08:53:27

14 doing in the marketplace? 08:53:30

15 What the potential companies are doing in the 08:53:32

16 marketplace? 08:53:36

17 A I don't know. 08:53:37

18 MR. PRIORE: Objection to form. 08:53:37

19 Let him finish. 08:53:38

20 BY MR. MILBY: 08:53:42

21 Q Where do you get the information about 08:53:42

22 businesses that you acquire? Are you contacted by the 08:53:45

23 owner who says I'm looking to sell? 08:53:50

24 Or do you go out and look for companies that 08:53:52

25 you just want to own and approach the owner about 08:53:54

1 selling them? How does that -- 08:53:56

2 A People call me. 08:54:00

3 MR. PRIORE: Objection to form. 08:54:01

4 THE WITNESS: People call me. 08:54:03

5 BY MR. MILBY: 08:54:04

6 Q Is that, more often than not, how it happens? 08:54:05

7 A This happens. 08:54:09

8 Q When you say people call you, are you talking 08:54:11

9 about the seller or the business brokers? 08:54:13

10 A Seller, business broker, newspapers. 08:54:16

11 Q You say "newspapers." You hear about a 08:54:22

12 company being -- 08:54:24

13 A Sold. 08:54:25

14 Q Have you ever told either Mark Moesta or rep 08:54:48

15 group that they can't carry your line in another line? 08:54:54

16 MR. PRIORE: Objection to form. 08:54:59

17 THE WITNESS: No. 08:55:01

18 BY MR. MILBY: 08:55:01

19 Q Have you ever declined to use a rep group or, 08:55:10

20 to your knowledge, have you ever declined to use a rep 08:55:13

21 group because of other complete beauty lines that they 08:55:16

22 carry? 08:55:19

23 A I don't decline. I don't agree. That's not 08:55:21

24 me. 08:55:24

25 Q You don't get involved in the decision? 08:55:25

1 that we bought just a few months ago, years ago, I'm not 08:56:34
2 sure. 08:56:38
3 BY MR. MILBY: 08:56:38
4 Q When you say they were carrying your 08:56:39
5 product -- 08:56:42
6 A They had our product on their booth -- on 08:56:43
7 their booth -- in their booth on display. 08:56:48
8 Q And what product or products was that? 08:56:51
9 A The Mastex products. 08:56:53
10 Q How did you -- when you say "Mastex products," 08:57:04
11 what products are you talking about? 08:57:13
12 A I don't believe -- I don't recall what 08:57:16
13 products. 08:57:17
14 Q You're motioning toward the picture. I 08:57:19
15 understand that you didn't take these pictures; correct? 08:57:21
16 A Correct. 08:57:24
17 Q Can you identify for me -- there's a fair 08:57:31
18 number of products that are shown in this picture. Can 08:57:37
19 you identify the products in this picture that you're 08:57:41
20 referring to as being your products, M-A-S-T-E-X? 08:57:45
21 A I think this is our machine. 08:57:57
22 Q You're pointing to a circular machine in the 08:57:59
23 middle of the picture? 08:58:02
24 A Yeah. 08:58:03
25 Q That says Mastex? 08:58:03

1	A	Yes.	08:58:05
2	Q	Has a Mastex label on it?	08:58:05
3	A	Yes.	08:58:07
4	Q	Okay. And what do you mean when you say it's	08:58:09
5		your product?	08:58:11
6	A	I think this is a Gigi machine, I think.	08:58:12
7	Q	A Gigi machine?	08:58:17
8	A	Yes.	08:58:19
9	Q	Does American International manufacture that	08:58:20
10		machine or do they purchase it from somebody else?	08:58:22
11	A	We own the mold on this machine.	08:58:26
12	Q	You own the mold?	08:58:29
13	A	Yeah.	08:58:30
14	Q	But you don't manufacturer?	08:58:30
15	A	No, we don't.	08:58:32
16	Q	Where is it manufactured?	08:58:33
17	A	In Hong Kong. China, maybe.	08:58:35
18	Q	What do you mean by you "own the mold"?	08:58:41
19	A	You start a product, usually you go to a	08:58:43
20		company and you pay for a mold. And the mold is -- you	08:58:46
21		pay for it and they manufacture it exclusively for you.	08:58:53
22	Q	Do you patent the mold?	08:58:59
23	A	No clue.	08:59:02
24	Q	Okay. Do you know if this company that	08:59:02
25		manufactures it in Hong Kong or China sells it to other	08:59:04

1	companies?	08:59:08
2	A I know they don't.	08:59:09
3	Q You know that they don't. Why is that?	08:59:10
4	A Because I know the person. He's a very honest	08:59:13
5	man.	08:59:16
6	Q Is there a contractual agreement that precludes	08:59:17
7	him for selling it?	08:59:20
8	A I don't recall.	08:59:21
9	MR. MILBY: Let me mark this as Exhibit 4.	08:59:22
10	(Deposition Exhibit 4 was marked for	08:59:26
11	identification.)	08:59:26
12	BY MR. MILBY:	08:59:59
13	Q How is it brought to your attention that	09:00:00
14	Mutual Industries had these products displayed at their	09:00:01
15	booth?	09:00:06
16	A I don't recall.	09:00:06
17	Q Did you go to the booth to see this yourself?	09:00:08
18	A Yes.	09:00:13
19	Q Was there a confrontation, for lack of a	09:00:13
20	better word, with --	09:00:16
21	A Yes.	09:00:18
22	Q Can you tell me about the confrontation?	09:00:18
23	A I don't know. Is -- we -- but somebody told	09:00:22
24	him how can you carry something like that.	09:00:26
25	Q And who were you -- who did you speak with at	09:00:28

1	the booth?	09:00:31
2	A I didn't say I speak. I said somebody told	09:00:31
3	him. I don't recall if I said it or not.	09:00:34
4	Q You don't recall whether you spoke to --	09:00:36
5	A Right.	09:00:39
6	Q -- the person at Mutual booth?	09:00:39
7	Now the person at the Mutual booth, do you	09:00:41
8	know Martin Lipkowitz (phonetic spelling)?	09:00:47
9	A No.	09:00:50
10	Q Do you recall having -- do you recall, when	09:00:51
11	you were at the Mutual booth, how many other people were	09:00:57
12	there?	09:01:01
13	I'm sorry. Let me rephrase that question.	09:01:02
14	How many Mutual employees were there at the	09:01:04
15	booth?	09:01:06
16	A I think it was the only one.	09:01:07
17	Q And who did you go over with to the booth?	09:01:09
18	A With a group of people from my office.	09:01:12
19	Q Terri Cooper?	09:01:15
20	A Terri Cooper.	09:01:16
21	Q Mark Moesta?	09:01:18
22	A I don't recall if Mark was there.	09:01:20
23	Q Do you recall who else was with --	09:01:22
24	A I don't remember.	09:01:23
25	Q How was the -- other than this -- you said	09:01:26

1 there was somebody, on behalf of American International, 09:01:30
2 questioned how can you carry this product? 09:01:35
3 A Mm-hm. 09:01:37
4 Q And what was the response? 09:01:38
5 A I don't remember. 09:01:40
6 Q How long did this confrontation, for lack of a 09:01:42
7 better word, last? 09:01:45
8 A Three minutes, two minutes. Three minutes. 09:01:47
9 Q Okay. Did somebody else witness the 09:01:49
10 conversation? 09:01:53
11 A Not that I know of. 09:01:55
12 Q Was -- were there -- was it a elevated voices 09:01:57
13 argument, for lack of a better word? 09:02:05
14 A Relative. 09:02:10
15 Q It was a heated discussion, if you will? 09:02:11
16 MR. PRIORE: Objection to form. 09:02:13
17 But go ahead. 09:02:13
18 BY MR. MILBY: 09:02:20
19 Q I'm sorry. Were you going to answer? 09:02:20
20 A I don't know what "heated" means. It's all 09:02:23
21 relative. 09:02:26
22 Q Were the people from American International, 09:02:27
23 on the one side, and the Mutual Industries, on the other 09:02:28
24 side, raising their voices over this issue? 09:02:33
25 A They didn't whisper. 09:02:36

1 Q Okay. But were they raising their voices 09:02:38
2 above an elevated conversation? I mean, above a normal 09:02:41
3 conversation? 09:02:46
4 MR. PRIORE: Both sides? 09:02:47
5 MR. MILBY: Either side. 09:02:49
6 THE WITNESS: I will tell you it wasn't 09:02:51
7 comfortable. 09:02:53
8 BY MR. MILBY: 09:02:54
9 Q Were other people, onlookers, standing around 09:02:54
10 watching this discussion? 09:02:57
11 A I don't think so. I don't remember. It was 09:02:59
12 very early in the morning. So it was not probably. 09:03:01
13 Q Okay. Are any of the other products on Ryzman 09:03:05
14 4 products that you contend or at the time that you 09:03:07
15 contended, were American International products? 09:03:17
16 A You need to ask Terri and Mark. They probably 09:03:21
17 would know better. I don't. 09:03:24
18 Q They may know it better, but do you know at 09:03:26
19 all? 09:03:33
20 A I don't know. I can't tell you that. 09:03:33
21 Q Okay. You -- are you done? 09:03:36
22 At the time of that discussion or the time of 09:03:47
23 that meeting at the Cosmoprof show, had there been prior 09:03:51
24 discussion between American International and Mutual 09:03:55
25 Industries and/or their lawyers concerning the use of 09:03:57

1	the name Mastex?	09:04:02
2	A Not that I know of.	09:04:04
3	Q Okay. Was the discussion at the Cosmoprof	09:04:05
4	show related to the use of the name Mastex and not just	09:04:14
5	the mold?	09:04:19
6	A Honestly, I don't remember.	09:04:23
7	Q What did you do after that confrontation?	09:04:28
8	A Went back to our business.	09:04:31
9	Q Okay. Did you do anything about the fact that	09:04:33
10	you felt that Mutual was selling your products?	09:04:36
11	MR. PRIORE: Objection to form.	09:04:41
12	But go ahead.	09:04:41
13	THE WITNESS: I didn't go do anything.	09:04:43
14	However, they called the lawyer. Our lawyer came down.	09:04:45
15	BY MR. MILBY:	09:04:48
16	Q Who did? Who called the lawyer?	09:04:49
17	A I don't know. I didn't.	09:04:51
18	Q You said your lawyer came down to the show?	09:04:52
19	A Yeah.	09:04:55
20	Q What did your lawyer do at the show?	09:04:55
21	A I have no idea.	09:04:58
22	Q Safe to say that when you say your lawyer,	09:05:01
23	it's not Mr. Priori?	09:05:05
24	THE WITNESS: No, Mark Kramer.	09:05:08
25	MR. PRIORE: I would have loved to have been	09:05:10

1	there, but that's okay.	09:05:12
2	THE WITNESS: Mark Kramer.	09:05:14
3	BY MR. MILBY:	09:05:15
4	Q Is Mark Kramer based in Las Vegas?	09:05:15
5	A No. Los Angeles.	09:05:19
6	Q Did he fly in or was he already in Las Vegas?	09:05:21
7	A I don't know.	09:05:25
8	Q Was American International Industries involved	09:05:26
9	with the lawsuit already, at that point in time, with	09:05:28
10	Mutual Industries?	09:05:30
11	A No idea.	09:05:32
12	Q Do you recall that Mutual had made a claim	09:05:34
13	that it was owed money from American International	09:05:46
14	Industries?	09:05:47
15	MR. PRIORE: At the time of that Cosmoprof	09:05:51
16	show?	09:05:53
17	MR. MILBY: At the time of the Cosmoprof show.	09:05:53
18	THE WITNESS: Possible.	09:05:56
19	BY MR. MILBY:	09:05:57
20	Q Did you have a prior business relationship	09:05:57
21	with Mutual Industries at the time of the Cosmoprof	09:05:59
22	show?	09:06:04
23	A Possible.	09:06:05
24	Q To your knowledge, did Mutual Industries make	09:06:06
25	products to be labeled with American International's	09:06:09

1 logos? 09:06:14

2 A To my knowledge today, yes. 09:06:15

3 Q To your knowledge today? 09:06:17

4 A Yes. 09:06:19

5 Q Did you know at the time whether they did? 09:06:21

6 A Probably not. 09:06:22

7 Q You probably didn't know? 09:06:23

8 A Right. 09:06:26

9 Q Based on your knowledge today, what products 09:06:29

10 was Mutual Industries manufacturing? 09:06:32

11 A The muslin. 09:06:34

12 Q The muslin. Anything else? 09:06:35

13 A Not that I know of. 09:06:39

14 THE REPORTER: Is this a good time to take a 09:07:05

15 restroom break? 09:07:07

16 MR. MILBY: If you need to. 09:07:09

17 THE REPORTER: Yeah, I do I. 09:07:10

18 THE VIDEOGRAPHER: We are going off the 09:07:12

19 record. The time is 9:06 a.m. 09:07:13

20 (A recess was taken.) 09:07:17

21 THE VIDEOGRAPHER: We are back on the record. 09:14:48

22 The time is 9:14 a.m. 09:14:49

23 BY MR. MILBY: 09:14:52

24 Q Mr. Ryzman, prior to the Cosmoprof show in 09:14:54

25 2010, had you purchased a business from Frank Mast 09:14:58

1	(phonetic spelling)?	09:15:01
2	A Yes, I did.	09:15:02
3	Q What did you purchase from him?	09:15:06
4	A His company.	09:15:09
5	Q What was his company?	09:15:10
6	A Mastex.	09:15:13
7	Q Was it -- were the products that Frank Mast	09:15:15
8	sold under the trade name Mastex?	09:15:18
9	A Yes, they did.	09:15:22
10	Q Were they also sold under the name Thermal	09:15:23
11	Spa?	09:15:25
12	A Yes, they did.	09:15:27
13	Q At the time that you -- did you later learn	09:15:28
14	that Mr. Mast had previously sold off a different	09:15:32
15	division of his company?	09:15:36
16	A No.	09:15:37
17	Q Did you know, at the time, that Mr. Mast had	09:15:39
18	sold off a different division of his company?	09:15:44
19	A No.	09:15:46
20	Q As you sit here today, do you have an	09:15:47
21	understanding as to whether Mr. Mast sold portions of	09:15:49
22	his business, products, trade name or anything of that	09:15:57
23	nature both to Mutual Industries and to American	09:16:00
24	International Industries?	09:16:03
25	MR. PRIORE: Object to form.	09:16:06

1	Go ahead.	09:16:08
2	THE WITNESS: You have to check with the	09:16:09
3	lawyer. I don't understand what he sold to me. I	09:16:10
4	really have no clue.	09:16:15
5	BY MR. MILBY:	09:16:16
6	Q Do you understand -- have an understanding	09:16:17
7	that he sold something to Mutual Industries?	09:16:18
8	A Yes.	09:16:22
9	Q What is it your understanding that he sold to	09:16:22
10	Mutual Industries?	09:16:24
11	A I don't have an understanding. I leave it to	09:16:26
12	the lawyers to understand.	09:16:28
13	Q Was the 2010 Cosmoprof show the first time	09:16:30
14	that you had seen Mutual Industries using the term	09:16:34
15	Mastex?	09:16:38
16	A Yes.	09:16:39
17	Q Okay. And did you think, at that point in	09:16:39
18	time, that Mutual Industries was violating a trade name	09:16:41
19	that you owned by using the name Mastex?	09:16:48
20	A Yes.	09:16:58
21	Q Have you subsequently learned that that issue	09:16:58
22	is not as clear as you thought it was at the time of the	09:17:00
23	show?	09:17:04
24	A Yes.	09:17:04
25	MR. PRIORE: Objection to form.	09:17:04

1 But go ahead. 09:17:05

2 BY MR. MILBY: 09:17:07

3 Q What did you subsequently learn about that? 09:17:12

4 You said that name -- 09:17:12

5 A It doesn't pay to fight. 09:17:13

6 Q I understand that philosophy. But my question 09:17:15

7 to you is what did you learn about the use of the name 09:17:18

8 or what Mr. Mast had sold in terms of use of the name? 09:17:23

9 A That it doesn't pay to fight. 09:17:28

10 Q Is it your -- when you say "it doesn't pay to 09:17:29

11 fight," there was a lawsuit involving the use of that 09:17:33

12 Mastex trade name, is that correct? 09:17:41

13 Between American International and Mutual 09:17:44

14 Industries? 09:17:46

15 A I don't think so. 09:17:51

16 Q Okay. I'm going to show you a copy of 09:17:54

17 American International Industries amended answer to the 09:17:59

18 plaintiff's amended complaint in this case. 09:18:07

19 And I have a couple of questions for you. 09:18:09

20 MR. MILBY: I'm going to -- let's mark it 09:18:13

21 Exhibit 5. 09:18:15

22 (Deposition Exhibit 5 was marked for 09:18:16

23 identification.) 09:18:16

24 BY MR. MILBY: 09:18:26

25 Q First of all, do you recognize that as being 09:18:26

1 American International's answer? 09:18:28

2 MR. PRIORE: Are you asking him if that's what 09:18:34

3 it says or has he seen it before? 09:18:36

4 BY MR. MILBY: 09:18:39

5 Q Have you seen it before? 09:18:40

6 A No. 09:18:41

7 Q If you'll turn to the page where I opened, 09:18:43

8 there's an exhibit to that document. I'll ask if you 09:18:46

9 recognize that exhibit? 09:18:49

10 A (Mumbling.) 09:18:50

11 Q My question to you is do you recognize it? 09:19:09

12 A No. 09:19:11

13 Q Would you turn about four pages and let me 09:19:14

14 know if that's your signature under American 09:19:18

15 International Industries? 09:19:20

16 A Yes, it is. 09:19:22

17 Q Does that help with your recollection as to 09:19:26

18 what this document is? 09:19:30

19 A Not really. Okay. Yes. 09:19:36

20 Q Okay. What is it? 09:19:56

21 A It's a payment of our debt to -- of American 09:19:59

22 International debt to Mutual Industries. And the usage 09:20:04

23 of the word Mastex Health. 09:20:12

24 Q Okay. So this settlement agreement resolved 09:20:14

25 that issue over the name Mastex; is that correct? 09:20:20

1	MR. PRIORE: Objection to term.	09:20:24
2	Go ahead.	09:20:25
3	THE WITNESS: The use of Mastex Health,	09:20:26
4	correct.	09:20:28
5	BY MR. MILBY:	09:20:29
6	Q Yes. And you picked up the picture that was	09:20:29
7	marked as Plaintiff's Exhibit 4 when you made that	09:20:35
8	answer.	09:20:39
9	And my question to you is what is the	09:20:40
10	relevance of the use of the word Mastex in that picture?	09:20:45
11	A This is a beauty product.	09:20:51
12	Q Mm-hm.	09:20:53
13	A And not health product.	09:20:54
14	Q Okay. Did you subsequently learn that Mutual	09:20:58
15	had purchased the right to use Mastex Health from Frank	09:21:05
16	Mast?	09:21:09
17	A Correct.	09:21:10
18	Q And in fact, it does say, on the side of the	09:21:11
19	logo there, "Mastex Health"; correct?	09:21:13
20	MR. PRIORE: Objection to form.	09:21:17
21	THE WITNESS: Very deceiving.	09:21:20
22	BY MR. MILBY:	09:21:21
23	Q It does say "Health," doesn't it?	09:21:22
24	MR. PRIORE: Read the whole label. What does	09:21:25
25	the whole label say?	09:21:30

1	THE WITNESS: "Mastex Mutual Beauty	09:21:32
2	Manufacturer."	09:21:33
3	BY MR. MILBY:	09:21:35
4	Q I believe you're reading off of this one and	09:21:36
5	it is not very clear. If you look down here at this	09:21:36
6	one --	09:21:36
7	A I read what I see, Mastex Mutual Beauty	09:21:37
8	Manufacturer.	09:21:38
9	Q Okay. So in -- was part of the dispute at the	09:21:43
10	Cosmoprof show that you felt exactly what you've just	09:21:47
11	expressed to us, that Mutual was being deceptive in the	09:21:53
12	use of the name Mastex?	09:21:57
13	A Correct.	09:21:59
14	Q Okay. And you still feel that way today?	09:21:59
15	A Correct.	09:22:03
16	Q But you settled it under the terms of the	09:22:03
17	settlement agreement because it doesn't pay to fight?	09:22:06
18	A That's correct.	09:22:10
19	Q Okay. The -- when you say -- when you	09:22:12
20	referred earlier in your answer to settling your debt	09:22:25
21	with Mutual Industries, am I correct in my understanding	09:22:28
22	that that was payment for the purchase of the muslin	09:22:30
23	that was private labeled for American International	09:22:34
24	Industries?	09:22:36
25	A Correct.	09:22:38

1 Q Okay. And I'm going to go back in to a 09:22:38
2 question we were discussing earlier and see if I can't 09:22:45
3 get some clarification. 09:22:47
4 The settlement agreement, which I assume your 09:22:49
5 attorneys had some input on, says "American 09:22:52
6 International Industries" comma "a California general 09:22:55
7 partnership." 09:23:04
8 Do you see that in the first line? 09:23:06
9 MR. PRIORE: And I'll object to the form of 09:23:10
10 the question. 09:23:12
11 But go ahead. 09:23:12
12 MR. MILBY: I haven't asked a question yet. 09:23:13
13 MR. PRIORE: Well, you did. You gave a 09:23:15
14 preface. So I'll object to the preface. 09:23:16
15 But go ahead. 09:23:18
16 MR. MILBY: Okay. 09:23:20
17 BY MR. MILBY: 09:23:21
18 Q Do you see the first line of that document, 09:23:21
19 the first paragraph of the settlement agreement, where 09:23:22
20 it says: 09:23:26
21 "Effective September 21, 2010. Effective 09:23:26
22 date, American International Industries, a 09:23:30
23 California general partnership," et cetera, 09:23:32
24 et cetera. 09:23:34
25 Do you see that? You see that there? 09:23:37

1 A Yeah. 09:23:40

2 Q It's really a preface to my question, which is 09:23:41

3 you had told me earlier that American International was 09:23:44

4 a corporation. And I just want to get clear -- 09:23:55

5 A Glamor is a corporation. American 09:23:56

6 International is a partnership. 09:23:56

7 Q So the document is correct -- 09:23:58

8 A Yes. 09:23:59

9 Q -- earlier? 09:24:00

10 A Yes, it's correct. 09:24:01

11 Q So earlier, when we were talking about who the 09:24:06

12 shareholders of American International were and you 09:24:08

13 listed all of your children's companies, in reality they 09:24:12

14 are partners in a partnership? 09:24:18

15 A No. 09:24:22

16 Q Okay. What are they? 09:24:23

17 A The five corporation own American 09:24:25

18 International. American is a partnership part between 09:24:27

19 five corporations. 09:24:36

20 Q That would make them partners; correct? 09:24:37

21 Glamor and the five -- 09:24:39

22 A The five corporations. 09:24:41

23 Q The five corporations are all partners in the 09:24:42

24 five? And is a general partnership not a limited? 09:24:43

25 A Right. 09:24:44

1 Q Okay. And is a general partnership not 09:24:45
2 limited? 09:24:49
3 A A general partnership. 09:24:50
4 Q Is there a written partnership agreement? 09:24:51
5 A Yes. 09:24:55
6 Q Okay. 09:24:56
7 MR. PRIORE: Keep your hand away from your 09:24:59
8 mouth. 09:25:00
9 THE WITNESS: I'm sorry. 09:25:01
10 MR. PRIORE: That's all right. 09:25:01
11 BY MR. MILBY: 09:25:02
12 Q Do all of the corporations own an equal 09:25:02
13 20 percent or is the ownership not equal? 09:25:06
14 A Not equal. 09:25:09
15 Q Okay. Do you know what the ownership 09:25:10
16 percentages are? 09:25:12
17 A Is it relevant? 09:25:14
18 Q It may or may not be, but this is a discovery 09:25:16
19 deposition. 09:25:19
20 MR. PRIORE: If you know, we'll give him a 09:25:21
21 little leeway on this. 09:25:23
22 MR. MILBY: I doubt it's going to be an issue 09:25:26
23 at trial, I just want to understand who the players are. 09:25:29
24 THE WITNESS: Glamor owns majority. 09:25:32
25 ///

1	BY MR. MILBY:	09:25:33
2	Q After that dispute at the Cosmoprof 2010 trade	09:26:09
3	show, who did you talk to about the relationship or the	09:26:16
4	dispute between American International and Mutual	09:26:19
5	Industries?	09:26:22
6	MR. PRIORE: Objection to form.	09:26:23
7	But go ahead.	09:26:23
8	THE WITNESS: I don't recall.	09:26:25
9	BY MR. MILBY:	09:26:25
10	Q Have you ever talked to any of the reps that	09:26:28
11	represent American International's lines?	09:26:32
12	A No.	09:26:35
13	Q Have you ever instructed Mark Moesta to talk	09:26:35
14	to them about the dispute?	09:26:39
15	A No.	09:26:41
16	Q Have you ever instructed Terri Cooper to talk	09:26:42
17	to any of the reps about that dispute?	09:26:45
18	A No.	09:26:47
19	Q Has anybody approached you and commented about	09:26:47
20	that dispute?	09:26:51
21	A No.	09:26:52
22	Q Never?	09:26:52
23	A (Inaudible response.)	09:26:56
24	MR. PRIORE: Indicating "no."	09:26:56
25	THE WITNESS: No.	09:26:58

1	MR. PRIORE: Thank you.	09:26:59
2	BY MR. MILBY:	09:26:59
3	Q Do you find it unusual that nobody's talked to	09:26:59
4	you about that?	09:27:04
5	A Not at all.	09:27:05
6	MR. PRIORE: Object to form.	09:27:06
7	THE WITNESS: Not at all.	09:27:08
8	THE REPORTER: (Reporter admonition.)	09:27:16
9	BY MR. MILBY:	09:27:17
10	Q Why do you not find it unusual?	09:27:17
11	MR. PRIORE: Same objection.	09:27:19
12	THE WITNESS: Because it's a nonsense claim.	09:27:21
13	BY MR. MILBY:	09:27:23
14	Q It would not -- it's fairly unusual for there	09:27:28
15	to be a dispute between you and another company on the	09:27:31
16	floor of trade show; isn't it?	09:27:34
17	MR. PRIORE: Objection to form. Go ahead.	09:27:37
18	THE WITNESS: Correct.	09:27:41
19	BY MR. MILBY:	09:27:41
20	Q Did you don't get into arguments frequently	09:27:41
21	at these trade shows do you?	09:27:44
22	A Correct.	09:27:48
23	Q Okay. And this occurred -- this dispute	09:27:48
24	occurred in the open on the trade floor?	09:27:54
25	A Correct.	09:27:57

1 Q And nobody's come up to you and said, hey, 09:27:57
2 what was going on there? 09:28:00
3 A No. 09:28:01
4 Q Not at all? 09:28:02
5 A No. 09:28:03
6 Q When you say it's a "nonsense claim," what did 09:28:15
7 you mean by that? 09:28:18
8 A It's a nonsense claim because it's baseless. 09:28:22
9 Q What's the claim that's "baseless"? I'm not 09:28:26
10 sure I understand. 09:28:29
11 A We are convincing other to carry or not to 09:28:30
12 carry. I'm not talking to anybody. I don't tell people 09:28:33
13 what to do. 09:28:37
14 Q You mean this lawsuit is a nonsense claim? 09:28:38
15 A Right. 09:28:41
16 Q Okay. 09:28:41
17 A Correct. 09:28:45
18 Q And that's why you believe that nobody has 09:28:48
19 mentioned that dispute to you? 09:28:52
20 MR. PRIORE: Objection to form. 09:28:54
21 THE WITNESS: I don't know. You have to ask 09:28:55
22 them. 09:28:57
23 BY MR. MILBY: 09:29:00
24 Q My question to you was do you find it usual 09:29:00
25 that nobody has said anything to you about that dispute 09:29:05

1	that took place on the trade show floor?	09:29:09
2	MR. PRIORE: Same objection.	09:29:12
3	Go ahead.	09:29:13
4	THE WITNESS: No.	09:29:13
5	BY MR. MILBY:	09:29:14
6	Q And your answer to that previously was -- when	09:29:15
7	I asked you why it was unusual, you said because this is	09:29:17
8	a nonsense claim. This is claim that occurred -- a	09:29:22
9	lawsuit that was filed much later.	09:29:24
10	So my question to you immediately after the	09:29:27
11	show and you're talk -- walking around in the Cosmoprof	09:29:29
12	show in 2010 -- the show went on for a couple more days,	09:29:33
13	didn't it?	09:29:37
14	A Correct.	09:29:38
15	Q And you were talking to people throughout the	09:29:38
16	time at the show; weren't you?	09:29:40
17	A Yes, I did.	09:29:42
18	Q And nobody said to you, hey, what was going on	09:29:43
19	there?	09:29:46
20	A No.	09:29:46
21	MR. PRIORE: Objection to form.	09:29:47
22	Go ahead.	09:29:47
23	BY MR. MILBY:	09:29:48
24	Q Nobody said anything to you?	09:29:49
25	A Nobody said a word to me about it.	09:29:50

1 Q You don't find that unusual at all? 09:29:53
2 MR. PRIORE: Asked and answered. You've asked 09:29:56
3 him like five times. 09:29:57
4 BY MR. MILBY: 09:29:58
5 Q We got off on a tangent about this claim. I 09:29:59
6 want to bring him back to make sure that he understood 09:30:01
7 what we were talking about. 09:30:10
8 What went on at the show? 09:30:10
9 MR. PRIORE: He answered that already. 09:30:11
10 MR. MILBY: I don't think he answered that in 09:30:12
11 the context of this lawsuit, which I'm clarifying. 09:30:13
12 MR. PRIORE: I think you've already done this. 09:30:15
13 But go ahead. 09:30:18
14 THE WITNESS: No. 09:30:21
15 BY MR. MILBY: 09:30:21
16 Q When you say that Mark Kramer came to the show 09:30:23
17 the next day, did American International serve Mutual 09:30:27
18 Industries with legal papers at the show? 09:30:36
19 A I have no idea. 09:30:40
20 Q Why do you not communicate more regularly with 09:31:06
21 the reps that are out there selling 30 brands of 09:31:09
22 products? 09:31:14
23 MR. PRIORE: Objection to form. 09:31:14
24 Go ahead. 09:31:16
25 THE WITNESS: There's a sales manager for 09:31:20

1 that. 09:31:22

2 BY MR. MILBY: 09:31:22

3 Q Why don't you communicate with them? 09:31:22

4 MR. PRIORE: Asked and answered. 09:31:25

5 Go ahead. 09:31:26

6 Objection. 09:31:27

7 THE WITNESS: That's not my job. 09:31:28

8 BY MR. MILBY: 09:31:29

9 Q Okay. So other than the few occasions that 09:31:30

10 you've told us, maybe a trip to Sally Beauty Supply and 09:32:11

11 a trip to Harland Kirschner wedding, you don't really 09:32:16

12 have any other communication with the beauty rep groups, 09:32:20

13 directly or indirectly? 09:32:23

14 A Correct. 09:32:25

15 MR. PRIORE: Objection to form. 09:32:25

16 Go ahead. 09:32:27

17 MR. MILBY: Go off for one second, please. 09:33:11

18 THE VIDEOGRAPHER: We are going off record. 09:33:13

19 The time is 9:32 a.m. 09:33:15

20 (A recess was taken.) 09:33:17

21 MR. PRIORE: When we went off the video 09:34:26

22 record, counsel went in and produced what appears to be 09:34:27

23 a magazine that I've never seen before and it's not been 09:34:31

24 produced in discovery. 09:34:36

25 It's dated -- appears to be February 2012, 09:34:39

1 Beauty Store Business Magazine. 09:34:41

2 Mr. Ryzman's picture is on the cover. I've 09:34:45

3 never seen this magazine before. It wasn't produced in 09:34:48

4 Rule 26 disclosures. 09:34:52

5 It certainly wasn't produced in response to 09:34:54

6 our written discovery. 09:34:57

7 I have a problem with counsel presenting or 09:34:59

8 questioning Mr. Ryzman without having previously 09:35:01

9 provided it to us. 09:35:05

10 I don't know why it wasn't produced before if 09:35:06

11 he intended to use it as an exhibit or discuss it at 09:35:10

12 deposition. 09:35:13

13 MR. MILBY: I didn't intend to use it. And I 09:35:13

14 didn't have it at the time the Rule 26 disclosures. I 09:35:18

15 don't know if I had it when he answered discovery or if 09:35:22

16 it was called for in the discovery. 09:35:25

17 It was brought to my attention and somebody 09:35:27

18 handed it to me. 09:35:29

19 MR. PRIORE: When was it handed to you? 09:35:30

20 MR. MILBY: A couple months ago. 09:35:33

21 MR. PRIORE: I'm seeing it now for the first 09:35:35

22 time. 09:35:36

23 MR. MILBY: I frankly didn't think much of it. 09:35:37

24 I think, probably, it might be relevant. Your objection 09:35:39

25 is on the record. And if you want to -- 09:35:42

1 MR. PRIORE: Well, what specifically are we 09:35:45
2 talking about? 09:35:47
3 MR. MILBY: I'm going to ask him about an 09:35:48
4 interview that he gave to Beauty Store Business 09:35:50
5 Magazine. 09:35:51
6 MR. PRIORE: Well, again, I have a problem 09:35:55
7 with that. 09:35:57
8 MR. MILBY: Well, you can, I guess, raise it 09:35:58
9 with the judge. If it's -- I mean, we can do the 09:36:01
10 questions now. 09:36:05
11 And if you want to claim that it's not 09:36:06
12 admissible for some reason, then we'll deal with that 09:36:08
13 then. 09:36:11
14 MR. PRIORE: Or we could not use it and deal 09:36:12
15 with it later. 09:36:14
16 MR. MILBY: Let's push on. And if it's a 09:36:16
17 problem, then you'll tell me. 09:36:19
18 THE VIDEOGRAPHER: Back on the video. 09:36:23
19 MR. MILBY: Yes. 09:36:25
20 THE VIDEOGRAPHER: Thank you. 09:36:26
21 Standby, please. 09:36:26
22 We are back on the record. The time -- 09:36:28
23 MR. PRIORE: Stay off the video, please. 09:36:31
24 Can I see it and read it before we talk about 09:36:32
25 it? 09:36:35

1	MR. MILBY: Sure.	09:36:37
2	MR. PRIORE: Okay.	09:39:16
3	MR. MILBY: Thank you.	09:39:18
4	MR. PRIORE: We can proceed. I'll maintain my	09:39:19
5	objection, but let's proceed.	09:39:21
6	THE VIDEOGRAPHER: Stand by, please.	09:39:24
7	We are back on the record. The time is	09:39:28
8	9:38 a.m.	09:39:30
9	BY MR. MILBY:	09:39:33
10	Q Mr. Ryzman, do you recall giving an interview	09:39:34
11	to Business Store Magazine for their February 2012	09:39:37
12	issue?	09:39:41
13	A Yes.	09:39:42
14	Q And this is a copy. I'll Mark this as Exhibit	09:39:42
15	6. But this is a copy of the article that was written	09:39:44
16	about you; correct?	09:39:47
17	A Yes.	09:39:48
18	Q Okay. And you did granted them an interview	09:39:48
19	for the purpose of their writing this article; correct?	09:39:51
20	A Correct.	09:39:56
21	Q The -- in this article you were asked -- I'm	09:40:17
22	sorry. It says that you indicated to the person that	09:40:27
23	was interviewing you that manufactures' reps are an	09:40:31
24	important part of your equation for success in the open	09:40:34
25	line salon products lost landscape often providing	09:40:37

1 information to Ryzman regarding possible lines for 09:40:45
2 acquisition. 09:40:49
3 How was that a true statement? Did you say 09:40:51
4 that? 09:40:56
5 A Probably. 09:40:56
6 Q How is it that these manufacturers' reps 09:40:57
7 provide that information to you? 09:41:00
8 A Pick up the phone and call if there's company 09:41:05
9 for sale. 09:41:17
10 Q How frequently does that happen? 09:41:18
11 A Whenever they have a company to sell. 09:41:18
12 Q It also says in here that Ryzman typically 09:41:25
13 attended two shows annually: Cosmoprof North America 09:41:28
14 and the Western Buying Conference in January in Las 09:41:32
15 Vegas. 09:41:36
16 Is that true that you go to the Western Buying 09:41:36
17 Conference every year? 09:41:38
18 A No. 09:41:41
19 Q Okay. So your testimony is that the 09:41:45
20 importance of the manufacturer's reps, in terms of 09:42:09
21 providing you information, that is that once in a while 09:42:12
22 they pick up the phone and call you to give you 09:42:15
23 information about a company to buy? 09:42:17
24 A Correct. 09:42:19
25 MR. PRIORE: Objection to form. 09:42:19

1 Go ahead. 09:42:20

2 THE WITNESS: Correct. 09:42:21

3 MR. MILBY: We can make copies of the relevant 09:42:25

4 imagines. We'll mark that as 6. 09:42:28

5 (Deposition Exhibit 6 was marked for 09:42:32

6 identification.) 09:42:32

7 MR. MILBY: Let's take a break and I'll talk 09:43:05

8 to you outside and see if we can -- 09:43:07

9 THE VIDEOGRAPHER: We are going off the 09:43:10

10 record. The time is 9:42 a.m. 09:43:12

11 (A recess was taken.) 09:43:14

12 MR. MILBY: We had a discussion off the 09:48:52

13 record, Mr. Priori and myself, about how to resolve the 09:48:53

14 dispute over whether or not Mr. Ryzman has to answer 09:48:58

15 financial questions about the financial -- American 09:49:02

16 International's finances. 09:49:04

17 We have agreed that I will send a set of 09:49:09

18 written questions or interrogatories to Mr. Priori by 09:49:14

19 the end of the week. 09:49:19

20 And he will -- that will give him an 09:49:21

21 opportunity to respond and serve whatever objections he 09:49:25

22 feels appropriate. 09:49:31

23 And that way we can raise it before the judge 09:49:32

24 at that point in time. 09:49:34

25 With that, I will reserve my right to press 09:49:36

1 the issue today on whether or not Mr. Ryzman has to 09:49:40
2 answer those questions. 09:49:43

3 MR. PRIORE: Yeah. And that's correct. I 09:49:45
4 mean, if it's an issue that has to go to the judge 09:49:47
5 rather than trying to see if we can get the judge back 09:49:50
6 in on the phone, I guess the best way to put the issue 09:49:54
7 to the judge is to have specific questions posed to the 09:49:58
8 interrogatories. 09:50:02

9 We'll object -- our objections, in terms of 09:50:03
10 whether it's privileged information or protected 09:50:04
11 business information or what other objections there may 09:50:09
12 be or if we can work it out, we'll work it out in the 09:50:11
13 answers to the interrogatories. 09:50:16

14 Rather than trying to do it today via the 09:50:18
15 deposition, we'll do it in a written fashion. 09:50:21

16 MR. MILBY: As I've said earlier, I'll agree 09:50:22
17 to keep it confidential if we agree. 09:50:23

18 MR. PRIORE: We can certainly look into that 09:50:26
19 as well. 09:50:32

20 MR. MILBY: Proposed agreement. 09:50:32

21 MR. PRIORE: Under the Federal Rules, we're 09:54:30
22 going to read and sign the transcript. 09:54:32

23 MR. MILBY: Well have to make arrangements to 09:54:35
24 have the transcript sent to us. 09:54:38

25 THE REPORTER: Okay. 09:54:40

1	MR. PRIORE: Thank you.	09:54:41
2	THE VIDEOGRAPHER: We are back on the record.	09:54:43
3	The time is 9:54 a.m.	09:54:44
4	BY MR. MILBY:	09:54:50
5	Q Mr. Ryzman, does American International	09:54:51
6	Industries belong to any trade associations?	09:54:53
7	A I don't know. I don't.	09:55:06
8	Q Do you personally participate in any trade	09:55:08
9	organizations?	09:55:13
10	A No.	09:55:15
11	Q Associations?	09:55:15
12	A No.	09:55:16
13	Q Are there any trade awards that you're aware	09:55:16
14	of?	09:55:20
15	A No.	09:55:21
16	Q You're not aware of whether American	09:55:22
17	International has received any awards in its industry?	09:55:23
18	A No.	09:55:27
19	Q None?	09:55:28
20	A None.	09:55:29
21	Q Okay.	09:55:30
22	A Not that I'm aware of.	09:55:34
23	Q I'm sorry.	09:55:37
24	A None that I am aware of.	09:55:38
25	Q Okay. Who are your largest competitors?	09:55:41

1	A	I don't know.	09:56:01
2	Q	You don't know who they are?	09:56:02
3	A	(Inaudible response.)	09:56:04
4		MR. MILBY: That's all I have.	09:56:09
5		THE WITNESS: Thank you.	09:56:13
6		MR. PRIORE: No questions.	09:56:14
7		THE VIDEOGRAPHER: This is the end of Tape	09:56:17
8		Number 1 and marks the conclusion of today's deposition	09:56:18
9		of Mr. Zvi Ryzman. The time is 9:55 a.m. We are off	09:56:21
10		the record.	09:56:28
11		(WHEREUPON THE DEPOSITION WAS ADJOURNED	
12		AT 9:56 A.M.)	
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STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

I, ZVI RYZMAN, hereby certify under penalty of perjury
under the laws of the State of California that the
foregoing is true and correct.

Executed this _____ day of
_____, 2012, at
_____, California.

ZVI RYZMAN

1 Depositions Officer's Certificate

2
3 United States District Court)
4) SS.
5 Central District of California)

6 I, April R. Cruz Caculitan, hereby certify:

7 I am a duly qualified certified shorthand reporter in
8 the state of California, holder of Certificate Number CSR
9 12437, issued by the Court Reporters Board of California
10 and which is in full force and effect. [Fed. R. DIV. P.
11 28(A)].

12 I am authorized to administer oaths or affirmations
13 pursuant to California Code of Civil Procedure, Section
14 2093(B) and prior to being examined, the deponent was first
15 duly sworn by me. [FED. R. CIV. P. 28(A), 30(F).(1)]

16 I am not a relative or employee or attorney or counsel
17 of any of the parties, nor am I a relative or employee of
18 such attorney or counsel, nor am I financially interested
19 in this action. [Fed. R. CIV. P. 28].

20 I am the deposition officer that stenographically
21 recorded the testimony in the foregoing deposition and the
22 foregoing transcript that is a true record of the testimony
23 given by the deponent. [Fed. R. CIV. P. 30(F)(1)].

24 Before completion of the deposition, review of the
25 transcript [x] was [] was not requested. If requested,

1 any changes made by the deponent (and provided to the
2 reporter) during the period allowed are appended hereto.
3 [FED. R. CIV. P. 30(E)].
4

5

6

7

Dated: _____, _____, 2012

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April R. Cruz Caculitan

15

Certified Shorthand Reporter

16

State of California

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